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INTERIOR
TREASURY, POSTAL SERVICE AND
GENERAL GOVERNMENT
WASHINGTON ADDRESS:
2302 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-0104
AREA CODE 202, TELEPHONE: 225-4876

94-48
EX PARTE OR LATE FILED
Congress of the United States
House of Representatives
Washington, DC 20515-0104

July 29, 1994

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RECEIVED
OCT 19 1994
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Chairman Hundt:

RE: Gerald Lacey
Farmers Telephone Cooperative
Rainsville, Al

The attached communication is submitted for your consideration, and to ask that the request made therein be complied with, if possible.

If you will advise me of your action on this matter and have the letter returned to me with your reply, I will appreciate it. Please respond to my Washington office.

Thank you in advance for your time and attention in this matter.

With kindest personal regards, I am

Sincerely yours,



Tom Bevill, M. C.

TB/jfh

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Farmers Telephone Cooperative, Inc.

P. O. Box 217 * Rainsville, Alabama 35986 * Telephone (205) 638-2144 * FAX (205) 638-4830

July 25, 1994

Gerald Lacey - General Manager

James Wilbanks, President
Leo Grimes, Vice President
Jerome Bryant, Secretary
Gary Blevins, Treasurer
Tommy A. Gilbert, Director
T. E. Edd Whitton, Director
Randy Wright, Director
Morgan Weeks, Attorney

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW, Room 814
Washington, DC 20554

Dear Chairman Hundt:

This letter is in support of the comments of the National Rural Telecommunications Cooperative (NRTC) in the matter of the implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual assessment of the status of competition in the market for the delivery of video programming, CS Docket No. 94-48.

Farmers Telephone is an NRTC member investor in the direct TV project to provide television programming to mostly rural consumers in DeKalb and Jackson Counties in Alabama. Most of these consumers do not have access to cable TV. Most of these consumers live in sparsely populated areas and are unlikely to ever have access to cable, therefore their only choice to receive television service is by satellite. We need complete access to all programming at fair rates, comparable to those paid by our competition, in order to compete in our local market. We thought that Congress had already solved this problem two years ago with the passage of the 1992 Cable Act. We do not currently have DBS distribution rights for Time Warner and Viacom programming, like HBO, Showtime, Cinemax, the Movie Channel, VH-1, MTV, Nickelodeon, and others, because of the exclusive distribution arrangements they have made with United States Satellite Broadcasting Co., Inc. (USSB).

The lack of access to this programming is detrimental to our business and is hindering our ability to compete in our local area. Farmers Telephone Cooperative is owned by it's 16,000 members and has made a considerable investment in DBS to provide this service to them. It is hard to understand why PrimeStar, Wireless Cable and Cable TV companies should have access to this programming and we do not. The lack of this programming is unfair to our consumers because under the current USSB exclusive distribution arrangements, consumers interested in receiving Time Warner and Viacom programming must subscribe to two separate competing packages.

"Where Traditional Values and Modern Technology Meet."

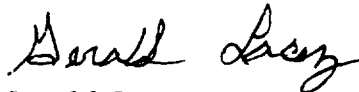
Honorable Reed Hundt
July 25, 1994
page 2

If these services were provided by both Direct TV and USSB the consumer would be able to choose their service provider, resulting in effective competition, lower prices and improved service.

None of the contracts we have signed with Direct TV are exclusive, therefore USSB could offer the service if they choose to. We agree with NRTC's position that the FCC should act to enforce the wishes of Congress as put forth in the 1992 Cable Act.

We request that you monitor and disallow the type of exclusionary arrangements represented by the USSB/Time Warner/Viacom deal.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gerald Lacey".

Gerald Lacey,
General Manager

sd

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

SEP 22 1994

REPLY REFER TO:
CN9403858

Honorable Tom Bevill
Member, U.S. House of Representatives
2302 Rayburn House Office Building
Washington, D.C. 20515-0104

Dear Congressman Bevill:

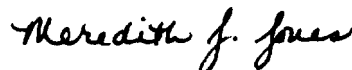
This is in response to your inquiry on behalf of a constituent, Mr. Gerald Lacey, General Manager of Farmers Telephone Cooperative, an affiliate of the National Rural Telecommunications Cooperative (NRTC). Mr. Lacey is concerned that DirecTV, operator of a direct broadcast satellite (DBS) facility, cannot obtain rights to Time Warner and Viacom programming, because such programming is subject to exclusive distribution rights of another DBS distributor, United States Satellite Broadcasting, Inc.

Mr. Lacey also expresses his support for the position of the National Rural Telecommunications Cooperative concerning the Commission's interpretation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992. NRTC has requested that the Commission reexamine the legality of exclusive contracts between vertically integrated cable programmers and DBS providers in areas unserved by cable operators. NRTC has asked that the Commission determine that such contracts are prohibited.

NRTC's petition for reconsideration of the Commission's program access rulemaking proceeding is currently pending. As such, any discussion by Commission personnel concerning this issue outside the context of the rulemaking would be inappropriate. However, you may be assured that the Commission will take into account each of the arguments raised by NRTC and the other parties to the rulemaking concerning this issue to arrive at a reasonable decision on reconsideration.

I trust this information is responsive to your inquiry.

Sincerely,



Meredith J. Jones
Chief, Cable Services Bureau